

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,	)	
regarding administration and operation of the	)	Case No. U-13129
Low-Income and Energy Efficiency Fund.	)	
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At the September 15, 2009 meeting of the Michigan Public Service Commission in Lansing,  
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman  
Hon. Monica Martinez, Commissioner  
Hon. Steven A. Transeth, Commissioner

**OPINION AND ORDER**

The Customer Choice and Electricity Reliability Act, 2000 PA 141, authorized the creation of the Low-Income and Energy Efficiency Fund (LIEEF) administered by the Commission via grants to qualifying organizations. The purpose of the fund is to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customer classes. The fund's original source of funding was the utilities' securitization savings that exceeded the amount needed to achieve a 5% electric rate reduction for residential and business customers. Until October 6, 2008, MCL 460.10d(7) provided for the use of a portion of the savings.

The Detroit Edison Company's (Detroit Edison) interim rate relief order issued on February 20, 2004 in Case No. U-13808 rolled the LIEEF funding requirement into base rates for Detroit Edison's electric customers and continued funding the LIEEF as part of the utility's cost of service. Consumers Energy Company's orders issued on December 22, 2005 in

Case No. U-14347 and November 21, 2006 in Case No. U-14547 has also made provisions for funding the LIEEF. In prior orders in this docket, the Commission established a framework for administering the LIEEF and procedures for considering specific proposals.

The Commission has issued orders approving 29 rounds of grants in the aggregate amount of \$533,099,401, and has administered funds specially allocated by the Legislature in the amount of \$25,000,000 from the LIEFF for a total of \$558,099,401.

On April 7, 2009, the Commission invited organizations to submit proposals that will design and coordinate a means to facilitate the successful installation and operation of small scale, on-site renewable energy systems and energy efficiency upgrades at multiple Michigan local government facilities. By the April 30, 2009 deadline, the following organizations submitted proposals seeking a total of \$106,651,589: Archdiocese of Detroit; Bullock Creek Schools; Carrollton Public Schools; Charter Township of Clinton Downtown Development Authority; Charter Township of Grand Blanc; City of Benton Harbor; City of Flint; City of Midland; City of Mount Clemens; City of Muskegon; City of Muskegon Heights; City of Pontiac; Clare County Jail; Clean Energy Coalition; Energy Education Initiative; Flint Downtown Development Authority; Grand Valley State University; Great Lakes Renewable Energy Association; Holland Board of Public Works; Huron Valley Lutheran High School; Macomb County; Macomb County Government; Michigan GREEN; Michigan State University; Michigan Suburbs Alliance; Mott Community College; NextEnergy; Northwest Michigan Council of Governments; Oakland University; Saginaw Intermediate School District; St. Clair County Regional Educational Service Agency; St. Clair County Administrator/Controller Department; Take the Landnonprofit Housing Corporation; Traverse City Light and Power; and Tuscola County Community Mental Health Authority d/b/a Tuscola Behavioral Health Systems.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In awarding the grants, the Commission used the selection criteria outlined in the Request for Proposals.

Based on its review of the applications, the Commission awards the following grants:

- Clean Energy Coalition - \$4,400,000 to establish a Clean Energy Program at each of the Cities of Promise (Benton Harbor, Detroit, Flint, Hamtramck, Highland Park, Muskegon Heights, Pontiac, and Saginaw) that will facilitate ongoing energy efficiency and renewable energy installations and programs.
- Michigan Suburbs Alliance - \$3,000,000 to install and implement renewable energy and energy efficiency applications for local governments throughout southeast Michigan, and to establish the Southeast Michigan Regional Energy Office that will provide education, technical support, and continued installation and implementation of these technologies for local governments throughout southeast Michigan.
- Northwest Michigan Council of Governments - \$1,100,000 to implement renewable energy and energy efficiency applications at local government facilities within its 10 member counties including Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford.

For those grantees receiving less than requested in their proposals, the proportion of funds for direct assistance to indirect costs and overhead will remain the same as in their original requests.

The Commission directs the Commission Staff to complete the necessary grant agreement documents with the grantees. The Commission expects that, following approval by the appropriate agencies, the grant recipients will make these additional funds available to low-income customers as soon as possible. As always, the grants are contingent upon review and approval of the State Administrative Board.

THEREFORE, IT IS ORDERED that:

A. The following grants for a total of \$8.5 million are approved contingent upon the enactment of necessary appropriations for the fiscal year beginning October 1, 2009 and ending September 30, 2010:

- Clean Energy Coalition - \$4,400,000 to establish a Clean Energy Program at each of the Cities of Promise (Benton Harbor, Detroit, Flint, Hamtramck, Highland Park, Muskegon Heights, Pontiac, and Saginaw) that will facilitate ongoing energy efficiency and renewable energy installations and programs.
- Michigan Suburbs Alliance - \$3,000,000 to install and implement renewable energy and energy efficiency applications for local governments throughout southeast Michigan, and to establish the Southeast Michigan Regional Energy Office that will provide education, technical support, and continued installation and implementation of these technologies for local governments throughout southeast Michigan.
- Northwest Michigan Council of Governments - \$1,100,000 to implement renewable energy and energy efficiency applications at local government facilities within its 10 member counties including Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford.

B. The Commission Staff shall complete the necessary grant agreement documents with the grantees.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

#### MICHIGAN PUBLIC SERVICE COMMISSION

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Orjiakor N. Isiogu, Chairman

By its action of September 15, 2009.

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Monica Martinez, Commissioner

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Mary Jo Kunkle, Executive Secretary

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Steven A. Transeth, Commissioner